



NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

***United States Attorney
Laura E. Duffy***

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For Immediate Release

INTERNATIONAL SPORTS GAMBLING RING CHARGED WITH RACKETEERING AND EXTORTION

***Operators of “Macho Sports” charged under RICO statutes with running sports
betting ring from Panama and Peru to avoid U.S. law enforcement***

NEWS RELEASE SUMMARY – June 19, 2013

United States Attorney Laura E. Duffy and Federal Bureau of Investigation Special Agent in Charge Daphne Hearn announced that 18 members of a violent gambling ring located principally in California and Peru were indicted for operating “Macho Sports”—an illegal Internet and telephone gambling business.

Participants in the scheme were charged with taking millions of dollars in illegal sports wagers over the last decade in the San Diego and Los Angeles areas. Earlier today, FBI agents arrested 15 of the defendants on a sealed indictment in coordinated actions in San Diego and Los Angeles, as well as Oslo, Norway, and Lima, Peru. FBI agents also executed seizure warrants seeking the forfeiture of more than \$5 million in property associated with Macho Sports, including a La Jolla property obtained by conspirators with proceeds from the illegal gambling conspiracy. The FBI investigation, which started in 2011, employed wiretaps and undercover agents to infiltrate the organization and uncover the defendants' illegal gambling activities and extortionate debt collection.

According to the indictment, Jan Harald Portocarrero and Erik Portocarrero ran Macho Sports from Lima, Peru, using the Internet and toll-free telephone lines to accept bets from customers in California. The organization ensured the prompt payment of gambling debts through the use of intimidation, threats, and violence, as well as fostering a violent reputation as to its treatment of delinquent customers. The co-conspirators avoided detection by laundering their illegal proceeds and maintaining a company headquarters and the physical platform for its Internet operations outside the United States. Although originally from California, the Portocarrero brothers set up Macho Sports in Peru after suffering previous gambling arrests or convictions in the United States.

The Portocarreros employed managers in Peru, such as defendant Young Hee Koh, to oversee the enterprise's telephone and internet operations, resolve disputes, and adjust customers' lines of credit. The organization also used teams of bookies—such as Amir Mokayef (operating primarily in the San Diego area) and Joseph Barrios (operating primarily in the Los Angeles area)—who were responsible for recruiting customers, paying off winning bets, and

collecting on losing bets.

Macho Sports' bookies often managed their own network of "sub-bookies," who both recruited customers and delivered payments to the managing bookie. For example, San Diego-area bookie Mokayef managed the sub-bookies Michael Christopher Iaco, Howard Alan Blum, Michael John Massey, Salvatore Giacomo Groppo, Nilesh Kumar Ambubhai Patel, and Benjamin John William Weber. Los Angeles-area bookie Barrios managed the sub-bookies Charles Edward Sullivan, Emed G. Sidaros, aka Action Ed, Isaac Pete Gharibeh, Dunzmy June Nguyen, and Todd Michael Heflin.

Macho Sports supplied their customers with an account number and password for accessing their gambling accounts on its websites. Bookies instructed their customers that they could place bets with their bookmaker, or by calling Macho Sports' toll-free numbers, or through their online accounts on the Macho Sports websites. Typically, Macho Sports would extend credit to new customers, so they could begin sports betting without pre-funding their accounts. Macho Sports also provided further extensions of credit to existing customers, so that those customers could wager larger amounts of money than their prior extensions of credit allowed.

The enterprise also used "runners," such as Randall Lee Irwin and Larry Neil Gold, who dealt directly with customers on behalf of its various bookies. These runners handled customer payments and collections. To ensure prompt payment, Macho Sports fostered a violent reputation about its treatment of delinquent customers. To this end, and because Macho Sports could not rely on the legal system for debt collection, the enterprise used intimidation, threats, and violence against its customers, especially when customers were late in paying their gambling debts.

United States Attorney Duffy observed that billions of dollars are being made outside the

law now that technology has made illegal gambling more accessible: “Illegal gambling is a thriving illegal business hiding in plain sight. The Department is committed to combating this crime, which too often is characterized by organized criminals, shady bookies, serious violence and lives in shambles because of gambling addiction.”

Some defendants are expected to be arraigned on the indictment this afternoon before U.S. Magistrate Judge William McCurine, Jr.

DEFENDANTS

Case Number: 13CR2196-JLS

Jan Harald Portocarrero
Erik Portocarrero
Amir Mokayef
Joseph Barrios
Young Hee Koh
Randall Lee Irwin
Larry Neil Gold
Charles Edward Sullivan
Michael Christopher Iaco
Emed G. Sidaros
Isaac Pete Gharibeh
Dunzmy June Nguyen
Todd Michael Heflin
Howard Alan Blum
Michael John Massey
Salvatore Giacomo Groppo
Nilesh Kumar Ambubhai Patel
Benjamin John William Weber

CORPORATE DEFENDANT

Macho Sports International Corp.

Panama and Peru

SUMMARY OF CHARGES

Count 1: Racketeering Conspiracy to Conduct Enterprise Affairs (RICO Conspiracy), in violation of Title 18, United States Code, Sections 1962(c)&(d)

Maximum penalties: 20 years in prison, 3 years supervised release; and a \$250,000 fine

Count 2: Illegal Gambling Business, in violation of Title 18, United States Code, Section 1955

Maximum penalties: 5 years in prison, 3 years supervised release; and a \$250,000 fine

INVESTIGATING AGENCIES

Federal Bureau of Investigation
Internal Revenue Service – Criminal Investigation

An indictment itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the United States meets its burden in court of proving guilt beyond a reasonable doubt.